



## Senate

General Assembly

February Session, 2014

**File No. 53**

Senate Bill No. 93

*Senate, March 19, 2014*

The Committee on Government Administration and Elections reported through SEN. MUSTO of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

### **AN ACT CONCERNING REVISIONS TO STATUTES CONCERNING THE COMPTROLLER.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 3-115e of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 The State Comptroller shall report [, on an annual basis,] not later  
4 than October 1, 2014, and every two years thereafter, to the Governor  
5 and the General Assembly, in accordance with the provisions of  
6 section 11-4a, on the CORE-CT system. Such reports shall include, but  
7 not be limited to, the status of [the implementation of] the system, [the  
8 anticipated completion date,] the total cost to date and projected costs  
9 for the next three fiscal years, other required software or hardware,  
10 [necessary for successful implementation and any associated costs,] the  
11 date and costs of future upgrades, the level of cooperation from  
12 vendors and state agencies [, any administrative or legislative obstacles  
13 to implementation,] and any other issues surrounding the CORE-CT

14 system.

15 Sec. 2. Section 4-36 of the general statutes is repealed and the  
16 following is substituted in lieu thereof (*Effective July 1, 2014*):

17 Each state agency shall establish and keep an inventory account in  
18 the form prescribed by the Comptroller, and shall, annually, on or  
19 before October first, transmit to the Comptroller a detailed inventory,  
20 as of June thirtieth, of all of the following property owned by the state  
21 and in the custody of such agency: (1) Real property, and (2) personal  
22 property having a value of [one] five thousand dollars or more. For  
23 audit purposes, each state agency shall establish and keep a list of  
24 personal property having a value of less than [one] five thousand  
25 dollars and defined as "controllable property" in the property control  
26 manual published by the Comptroller.

27 Sec. 3. Section 4a-20 of the general statutes is repealed and the  
28 following is substituted in lieu thereof (*Effective from passage*):

29 The State Insurance and Risk Management Board shall determine  
30 the method by which the state shall insure itself against losses by the  
31 purchase of insurance governed by the provisions of title 38a to obtain  
32 the broadest coverage at the most reasonable cost. It shall direct the  
33 negotiations for purchase of such insurance and determine whether  
34 deductible or other risk retention provisions should be included in the  
35 insurance contract. Wherever appropriate it shall determine that the  
36 state shall act as a self-insurer and may request funds from the  
37 contingency fund to establish reserves and carry out such practices as  
38 are necessary to safeguard the self-insurance activity. Said board may  
39 develop and implement risk management and loss prevention  
40 programs related to insurance plans established pursuant to the  
41 provisions of sections 4a-19 to 4a-21, inclusive, and may recommend to  
42 the Governor and the General Assembly the enactment of policies  
43 designed to reduce risks and hazards that may result in state liability  
44 for tortious conduct. It shall designate the agent or agents of record  
45 and shall select the companies from whom insurance coverage and  
46 surety bonds shall be purchased. Notwithstanding any other provision

47 of the general statutes, including without limitation sections 38a-707  
48 and 38a-825, it shall have full authority to negotiate either a  
49 commission or fee structure to compensate the agent or agents of  
50 record for services performed. It shall also have full authority to retain  
51 consulting firms and to negotiate their fee compensation for services  
52 performed. Any refund, dividend or other payment from any  
53 insurance company in connection with insurance for the state shall be  
54 returned to the [Comptroller] Department of Administrative Services  
55 for deposit in the General Fund. The board shall establish  
56 specifications for each contract of insurance and shall request bids for  
57 each such contract through the agent of record. Each such contract  
58 shall be for a specified period of time.

59 Sec. 4. Subsection (a) of section 5-155a of the general statutes is  
60 repealed and the following is substituted in lieu thereof (*Effective from*  
61 *passage*):

62 (a) The general administration and responsibility for the proper  
63 operation of the state employees retirement system is vested in a single  
64 board of trustees to be known as the Connecticut State Employees  
65 Retirement Commission. Notwithstanding the provisions of section 4-  
66 9a, the Retirement Commission shall consist of the following: (1) The  
67 Treasurer or a designee, who shall be a nonvoting, ex-officio member;  
68 (2) the Comptroller or a designee, who shall be a nonvoting, ex-officio  
69 member; (3) six trustees representing employees who shall (A) be  
70 appointed by the bargaining agents in accordance with the provisions  
71 of applicable collective bargaining agreements, [. The trustees  
72 representing employees shall] (B) serve three-year terms, and (C) not  
73 be members of the same bargaining unit; [. The trustees representing  
74 employees shall serve three-year terms; (3)] (4) six management  
75 trustees who are members of the state employees retirement system,  
76 who shall serve three-year terms [. The management trustees shall]  
77 and be appointed by the Governor; [(4)] (5) two actuarial trustees who  
78 are enrolled actuaries and Fellows of the Society of Actuaries who shall  
79 be appointed by the Governor to serve three-year terms. One actuarial  
80 trustee shall be nominated by the management trustees and one shall

81 be nominated by the trustees representing employees; [. The Governor  
82 shall appoint the actuarial trustees for three-year terms;] and [(5)] (6)  
83 one neutral trustee who shall be chairman of the State Employees  
84 Retirement Commission. Such neutral trustee shall be enrolled in the  
85 National Academy of Arbitrators and shall be nominated by the  
86 employee and management trustees and appointed by the Governor [. The neutral trustee shall] to serve a two-year term. If a vacancy occurs  
88 in the office of a trustee, the vacancy shall be filled for the unexpired  
89 term in the same manner as the office was previously filled. The  
90 trustees, with the exception of the chairman and the actuarial trustees,  
91 shall serve without compensation but shall be reimbursed in  
92 accordance with the standard travel regulations for all necessary  
93 expenses that they may incur through service on the commission. The  
94 chairman and the actuarial trustees shall be compensated at their  
95 normal and usual per diem fee, plus travel expenses, from the funds of  
96 the retirement system for each day of service to the commission. Each  
97 trustee shall, within ten days after appointment or election, take an  
98 oath of office that so far as it devolves upon the trustee, the trustee will  
99 diligently and honestly administer the affairs of the commission, and  
100 will not knowingly violate or willingly permit to be violated any of the  
101 provisions of law applicable to the state retirement system. Each  
102 trustee's term shall begin from the date the trustee takes such an oath.  
103 The trustees shall appoint a representative from among the  
104 municipalities that have accepted the provisions of part II of chapter  
105 113, who shall serve as a municipal liaison to the commission, at the  
106 commission's pleasure and under such terms and conditions as the  
107 commission may prescribe. Each trustee shall be entitled to one vote  
108 on the commission. A majority of the commission shall constitute a  
109 quorum for the transaction of any business, the exercise of any power  
110 or the performance of any duty authorized or imposed by law. The  
111 Retirement Commission shall be within the Retirement Division of the  
112 office of the Comptroller for administrative purposes only. The  
113 Comptroller [, ex officio,] shall be the [nonvoting] secretary of the  
114 commission and shall provide secretariat support to the commission.

115 Sec. 5. Subsection (a) of section 32-6 of the general statutes is

116 repealed and the following is substituted in lieu thereof (*Effective July*  
117 *1, 2014*):

118 (a) The management and control of the operation and affairs of the  
119 Connecticut building at the Eastern States Exposition at West  
120 Springfield shall be in the charge of the Department of Economic and  
121 Community Development. Maintenance of the land and building shall  
122 be the responsibility of the Department of Administrative Services.  
123 Coverage by fire and casualty insurance shall be the responsibility of  
124 the [Comptroller] State Insurance and Risk Management Board in  
125 accordance with the provisions of section 4a-20, as amended by this  
126 act. The building and land shall be used by the Department of  
127 Economic and Community Development, in cooperation with public  
128 and private agencies, to conduct an educational exhibit which will  
129 promote the agricultural, industrial, recreational and other physical  
130 and natural resources of this state.

131 Sec. 6. Subsection (c) of section 3-123h of the general statutes is  
132 repealed and the following is substituted in lieu thereof (*Effective July*  
133 *1, 2014*):

134 (c) On or before [March 30, 2012] April 30, 2015, and annually  
135 thereafter, the State Comptroller shall report, in accordance with the  
136 provisions of section 11-4a, to the joint standing committee of the  
137 General Assembly having cognizance of matters relating to  
138 appropriations and the budgets of state agencies and the Secretary of  
139 the Office of Policy and Management on the status of the flexible  
140 spending account programs. Each such report shall include, but not be  
141 limited to: (1) The number of employees enrolled in such programs, (2)  
142 the administrative costs of such programs, (3) the amount of forfeitures  
143 in such programs, and (4) the effect of the transfers permitted under  
144 subsections (a) and (b) of this section on the Employers Social Security  
145 Tax account.

146 Sec. 7. Subsection (a) of section 4a-71 of the general statutes is  
147 repealed and the following is substituted in lieu thereof (*Effective from*  
148 *passage*):

149 (a) Except as provided in section [4a-73] 4a-72, each state  
 150 department and agency shall pay interest at a rate equal to the  
 151 monthly effective yield for the Short Term Investment Fund  
 152 administered by the Treasurer pursuant to sections 3-27a to 3-27f,  
 153 inclusive, on amounts due on written contracts for public works,  
 154 personal services, goods and services, equipment and travel, whenever  
 155 such department or agency fails to make timely payment.

156 Sec. 8. Section 3-115d of the general statutes is repealed. (*Effective*  
 157 *from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	3-115e
Sec. 2	<i>July 1, 2014</i>	4-36
Sec. 3	<i>from passage</i>	4a-20
Sec. 4	<i>from passage</i>	5-155a(a)
Sec. 5	<i>July 1, 2014</i>	32-6(a)
Sec. 6	<i>July 1, 2014</i>	3-123h(c)
Sec. 7	<i>from passage</i>	4a-71(a)
Sec. 8	<i>from passage</i>	Repealer section

**GAE**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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### ***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

### ***Explanation***

The bill makes various technical and administrative changes to the statutes concerning the Office of the State Comptroller (OSC) enumerated below which do not result in a fiscal impact to the state or municipalities.

**Section 1** changes various reporting requirements and timeframes for matters concerning the state's accounting system, Core-CT.

**Section 2** increases the dollar threshold from \$1,000 to \$5,000 for inventoried state property to be consistent with the federal guidelines.

**Sections 3 and 5** make technical changes regarding the State Insurance and Risk Management Board which was moved from OSC to the Department of Administrative Services (DAS) for administrative purposes.

**Section 4** allows a designee on behalf of the Comptroller to attend meetings of the Retirement Commission and clarifies the Comptroller's membership on said commission.

**Section 6** changes the reporting requirement from on or before March 30, 2012 to on or before April 30, 2015 for the annual report regarding the status of flexible spending account programs.

**Section 7** makes a statutory reference correction.

Lastly, **section 8** repeals CGS 3-115d, thereby eliminating the Core-CT Policy Board which was established to govern the implementation of Core-CT. Core-CT is now established as the state's accounting system and is overseen by DAS and OSC.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None



**OLR Bill Analysis****SB 93*****AN ACT CONCERNING REVISIONS TO STATUTES CONCERNING THE COMPTROLLER.*****SUMMARY:**

This bill makes several unrelated changes affecting (1) the statewide accounting and personnel system (CORE-CT) and (2) the comptroller's duties. It requires the comptroller to report biennially, rather than annually, starting by October 1, 2014, on CORE-CT's status to the governor and General Assembly. It also eliminates the CORE-CT policy board, which is responsible for maintaining the constitutional and statutory independence of the legislative, executive, and judicial branches with respect to system implementation and operation.

The bill transfers, from the comptroller to the (1) Department of Administrative Services, responsibility for receiving and depositing in the General Fund insurance company refunds, dividends, and other payments to the state in connection with state insurance and (2) State Insurance and Risk Management Board, responsibility for obtaining fire and casualty insurance coverage for the Connecticut building at the Eastern States Exposition (Big E).

The bill:

1. increases, from \$1,000 to \$5,000, the threshold value of personal property in a state agency's custody (a) at which it must annually inventory and report to the comptroller and (b) below which it must keep a list for audit purposes;
2. makes it clear that the comptroller is a nonvoting, ex-officio member of the Connecticut State Employees Retirement Commission and authorizes him to have a designee; and

3. requires the comptroller to report annually by April 30, rather than March 30, on the state employee flexible spending account (FSA) programs.

Finally, the bill makes technical changes.

EFFECTIVE DATE: Upon passage, except the provisions on the Big E, state personal property inventory, and FSA program reporting are effective July 1, 2014.

### **COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable

Yea    13    Nay   0    (03/07/2014)